

## Message Text

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PAGE 01 FREETO 00625 230926Z  
ACTION AF-10

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FM AMEMBASSY FREETOWN  
TO SECSTATE WASHDC 7171

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STADIS /////////////////////////////////

FOR ASST SEC MOOSE FROM AMBASSADOR

EO 11652: NA  
TAGS: AMGT, PEPR, SL  
SUBJ: POLICY OBJECTIVES AND THE BUDGET PROCESS

REF: STATE 297394

1. I HAVE REVIEWED THE GOALS AND OBJECTIVES FOR SIERRA LEONE (STATE 295527) AND MY PROPOSED STEPS FOR IMPLEMENTING THEM (FREETOWN A-10, FEBRUARY 16) WITH KEY MEJBERS OF MY STAFF. WE DISCUSSED THE FINANCIAL IMPLICATIONS OF THESE ACTIONS ON THEIR FY1980 BUDGETS AND REACHED THE FOLLOWING CONCLUSIONS BASED ON ASSUMPTIONS THAT BOTH CURRENT INFLATIONARY AND DEVALUATION TRENDS WILL CONTINUE:

(A) AFTER A SUBSTANTIAL INCREASE IN PEACE CORPS VOLUNTEER NUMBERS DURING FY77, FURTHER INCREASES WILL LEVEL OFF DURING FY78 AND FY79, WITH A COMPLEMENT OF ABOUT 235 VOLUNTEERS PROJECTED BY THE END OF THE CURRENT FISCAL YEAR (VERSUS THE PRESENT 186 VOLUNTEERS). THIS REFLECTS: QL PC'S CONTINUING EFFORTS TO EXPAND ITS ACTIVITIES IN AGRICULTURE (LARGELY SWAMP RICE DEVELOPMENT PLUS A NEW PROGRAM IN INLAND FISH FARMING), RURAL DEVELOPMENT AND HEALTH (SPECIFICALLY, A

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NEW PROGRAM IN PUBLIC HEALTH SERVICES) AND 2) A MODEST EXPANSION IN THE PRIMARY TEACHER TRAINING PROGRAM, PARTIALLY OFFSET BY SLIGHT REDUCTIONS IN THE SECONDARY EDUCATION PROGRAM. TRAINING COSTS (AT APPROXIMATELY 15 PERCENT OF TOTAL BUDGETS) REFLECT THE FACT THAT PC PROGRAMMING IN SIERRA LEONE UTILIZES INCREASINGLY SKILL TRAINED "GENERALIST" VOLUNTEERS. DESPITE THIS EXPANDED TOTAL PROGRAMMING ACTIVITY, PROGRAM

SUPPORT COSTS ARE PROJECTED TO INCREASE ONLY ABOUT 10 PERCENT, MOST OF WHICH IS ATTRIBUTABLE TO INFLATION.

(B) USIS WILL INCREASE IN-COUNTRY INFORMATION PROGRAMMING, PARTICULARLY IN THE POLITICALLY DOMINANT RURAL AREAS, WHILE RETAINING CULTURAL EXCHANGE ACTIVITIES AT PRESENT LEVELS. USIS DEEMS ITS PRESENT PROGRAM BUDGET TO BE INADEQUATE FOR CURRENT NEEDS AND FORECASTS AN INCREASE OF ABOUT 15 PERCENT BY FY80 TO MEET ITS OBJECTIVES.

(C) AID DEVELOPMENT ASSISTANCE WILL COME ON STREAM IN LATE FY78. IT EXPECTS TO ADD ONE OR TWO SMALLER GRANT PROJECTS BY FY80 IN THE AGRICULTURE AND RURAL DEVELOPMENT AREAS AND FORECASTS AN INCREASE OF BETWEEN 15-20 PERCENT IN PROGRAM FUNDING.

(D) EMBASSY ADMINISTRATION MUST INCREASE TO MEET THE NEEDS OF ADDITIONAL PASA AND CONTRACT PERSONNEL COMING TO SIERRA LEONE TO ADMINISTER THE NEW AID PROGRAMS; WE ESTIMATE FAAS COSTS WILL INCREASE ALMOST 50 PERCENT BETWEEN FY78 AND FY80, OVER HALF OF WHICH IS DIRECTLY ATTRIBUTABLE TO LOSS OF EX-CHANGE VALUE AND INFLATION. THE REMAINDER CONSTITUTES COSTS FOR INCREASED SUPPORT IN SUCH AREAS AS MAIL, POUCH, TELEGRAMS, PROCUREMENT, CUSTOMS CLEARANCE, WAREHOUSING AND CASHIERING OPERATIONS, AMONG OTHERS.

2. DURING THE DISCUSSION I WAS STRUCK BY A NUMBER OF EXAMPLES  
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WHERE POST HAS LITTLE OR NO CONTROL OVER BUDGET PREPARATION. THIS PARTICULARLY IS TRUE IN THE CASE OF WASHINGTON CONTROLLED FUNDS, SUCH AS CULTURAL EXCHANGES, WHICH SOMETIMES ARE ALLOCATED WITH LITTLE OR NO REFERENCE TO POST. TO A LESSER EXTENT THIS ALSO IS TRUE OF BUDGETS SUCH AS FREETOWN'S, WHICH ARE PREPARED AT REGIONAL BUDGET AND FISCAL OFFICES WHERE BUDGET PREPARATION TAKES PLACE SO LATE IN THE BUDGET CYCLE THAT POST HAS LITTLE OR NO TIME FOR ADEQUATE REVIEW OF REVISION PRIOR TO SUBMISSION TO MEET DEADLINES IMPOSED BY WASHINGTON AGENCIES. ANOTHER PROBLEM NOTED DURING THE DISCUSSION WAS THE FACT THAT PERSONNEL DECISIONS, WHICH IMPINGE HEAVILY ON BUDGET PREPARATIONS, FREQUENTLY ARE NOT MADE IN TIME FOR INCORPORATION IN BUDGET PLANNING. THIS REQUIRES POSTS TO SUBMIT PIECemeal INCREASE-DECREASE STATEMENTS AFTER BUDGETS HAVE BEEN APPROVED.

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## Message Attributes

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